

PIMCO Income Strategy Fund II  
Form N-Q  
December 29, 2014

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**FORM N-Q**

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED**  
**MANAGEMENT INVESTMENT COMPANY**

<b>Investment Company Act File Number:</b>	<b>811-21601</b>
<b>Registrant Name:</b>	<b>PIMCO Income Strategy Fund II</b>
Address of Principal Executive Offices:	1633 Broadway New York, NY 10019
Name and Address of Agent for Service:	William G. Galipeau 1633 Broadway New York, NY 10019
Registrant's telephone number, including area code:	(844) 337-4626
Date of Fiscal Year End:	July 31, 2015
Date of Reporting Period:	October 31, 2014

**Item 1. Schedule of Investments**

**PIMCO Income Strategy Fund II**

October 31, 2014 (Unaudited)

	PRINCIPAL AMOUNT (000s)	MARKET VALUE (000s)
<b>INVESTMENTS IN SECURITIES 124.1%</b>		
<b>BANK LOAN OBLIGATIONS 0.1%</b>		
<b>Clear Channel Communications, Inc.</b>		
TBD% due 01/30/2019	\$ 1,300	\$ 1,231
Total Bank Loan Obligations (Cost \$1,217)		1,231
<b>CORPORATE BONDS &amp; NOTES 42.0%</b>		
<b>BANKING &amp; FINANCE 26.0%</b>		
<b>AGFC Capital Trust</b>		
6.000% due 01/15/206	1,800	1,525
<b>Ally Financial, Inc.</b>		
4.625% due 06/26/2015	6,200	6,343
<b>American International Group, Inc.</b>		
6.250% due 03/15/2087 (f)	15,900	17,677
8.175% due 05/15/2068	300	409
<b>Army Hawaii Family Housing Trust Certificates</b>		
5.524% due 06/15/2050	7,000	7,577
<b>Banco Popular Espanol S.A.</b>		
11.500% due 10/10/2018 (d)	EUR 2,000	2,873
<b>Barclays Bank PLC</b>		
7.625% due 11/21/2022	\$ 2,200	2,401
<b>Barclays PLC</b>		
6.500% due 09/15/2019 (d)	EUR 1,500	1,840
8.000% due 12/15/2020 (d)	1,800	2,352
<b>Cooperatieve Centrale Raiffeisen-Boerenleenbank BA</b>		
8.400% due 06/29/2017 (d)	\$ 700	772
<b>Credit Agricole S.A.</b>		
6.500% due 06/23/2021 (d)	EUR 400	512
7.500% due 06/23/2026 (d)	GBP 3,500	5,521
7.875% due 01/23/2024 (d)	\$ 2,300	2,381
<b>GMAC International Finance BV</b>		
7.500% due 04/21/2015	EUR 4,200	5,406
<b>GSPA Monetization Trust</b>		
6.422% due 10/09/2029	\$ 5,044	5,797
<b>ILFC E-Capital Trust</b>		
6.250% due 12/21/2065	4,300	4,182
<b>LBG Capital PLC</b>		
7.375% due 03/12/2020	EUR 500	675

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8.875% due 02/07/2020		8,900	12,569
12.750% due 08/10/2020	GBP	300	539
15.000% due 12/21/2019	EUR	1,100	2,038
<b>Lloyds Banking Group PLC</b>			
7.625% due 06/27/2023 (d)	GBP	6,100	9,880
<b>Millennium Offshore Services Superholdings LLC</b>			
9.500% due 02/15/2018	\$	4,500	4,500
<b>Navient Corp.</b>			
5.500% due 01/15/2019		24,240	25,195
<b>Nippon Life Insurance Co.</b>			
5.100% due 10/16/2044		1,700	1,779
<b>Novo Banco S.A.</b>			
2.625% due 05/08/2017	EUR	200	227
3.875% due 01/21/2015		200	250
4.750% due 01/15/2018		600	720
5.000% due 04/04/2019		311	362
5.000% due 04/23/2019		653	771
5.000% due 05/14/2019		431	507
5.000% due 05/21/2019		241	281
5.000% due 05/23/2019		240	283
5.875% due 11/09/2015		900	1,099
<b>Russian Agricultural Bank OJSC Via RSHB Capital S.A.</b>			
5.298% due 12/27/2017	\$	3,200	3,128
6.299% due 05/15/2017		5,500	5,541
<b>Sberbank of Russia Via SB Capital S.A.</b>			
5.717% due 06/16/2021		6,100	5,974
<b>Vnesheconombank Via VEB Finance PLC</b>			
6.902% due 07/09/2020		11,000	11,275
<b>Wachovia Capital Trust</b>			
5.570% due 12/01/2014 (d)		5,000	4,863
<b>Western Group Housing LP</b>			
6.750% due 03/15/2057		5,500	6,717

166,741

<b>INDUSTRIALS 6.2%</b>		
<b>Anadarko Petroleum Corp.</b>		
7.000% due 11/15/2027	3,400	4,040
<b>Boxer Parent Co., Inc. (9.000% Cash or 9.750% PIK)</b>		
9.000% due 10/15/2019 (b)	1,600	1,443
<b>Forbes Energy Services Ltd.</b>		
9.000% due 06/15/2019	300	291
<b>Ford Motor Co.</b>		
7.700% due 05/15/2097	2,960	3,884
<b>Gulfport Energy Corp.</b>		
7.750% due 11/01/2020	400	410
<b>Hema Bondco BV</b>		
6.250% due 06/15/2019	EUR 200	223
<b>Intrepid Aviation Group Holdings LLC</b>		
6.875% due 02/15/2019	\$ 1,980	1,970
<b>Perstorp Holding AB</b>		
8.750% due 05/15/2017	2,400	2,448
9.000% due 05/15/2017	EUR 700	903
<b>Pertamina Persero PT</b>		
6.450% due 05/30/2044	\$ 16,000	17,080
<b>Schaeffler Holding Finance BV (6.250% Cash or 6.250% PIK)</b>		
6.250% due 11/15/2019 (b)	1,800	1,872
<b>Schaeffler Holding Finance BV (6.750% Cash or 6.750% PIK)</b>		
6.750% due 11/15/2022 (b)	1,000	1,063
<b>UAL Pass-Through Trust</b>		
10.400% due 05/01/2018	1,841	2,034
<b>UCP, Inc.</b>		
8.500% due 10/21/2017	2,000	1,979
		39,640
<b>UTILITIES 9.8%</b>		
<b>Bruce Mansfield Unit Pass-Through Trust</b>		
6.850% due 06/01/2034	2,195	2,444
<b>CenturyLink, Inc.</b>		
7.600% due 09/15/2039	7,000	7,105
<b>Dynegy Finance, Inc.</b>		
6.750% due 11/01/2019	955	990
7.375% due 11/01/2022	905	958
7.625% due 11/01/2024	155	164
<b>Gazprom Neft OAO Via GPN Capital S.A.</b>		
4.375% due 09/19/2022	6,100	5,421
6.000% due 11/27/2023	13,000	12,642
<b>Illinois Power Generating Co.</b>		
7.000% due 04/15/2018	1,700	1,632
7.950% due 06/01/2032	500	493

<b>Northwestern Bell Telephone</b>		
7.750% due 05/01/2030	12,625	14,544
<b>Qwest Corp.</b>		
7.200% due 11/10/2026	3,400	3,421
<b>Red Oak Power LLC</b>		
8.540% due 11/30/2019	2,168	2,358
<b>Rosneft Finance S.A.</b>		
6.625% due 03/20/2017	3,900	4,030
7.500% due 07/18/2016	5,500	5,741
7.875% due 03/13/2018	500	537
		62,480

Total Corporate Bonds & Notes		268,861
(Cost \$259,152)		

**MUNICIPAL BONDS & NOTES 8.6%****CALIFORNIA 2.4%****La Quinta Financing Authority, California Tax Allocation Bonds, Series 2011**

8.070% due 09/01/2036	3,000	3,480
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**Riverside County, California Redevelopment Successor Agency Tax Allocation Bonds, Series 2010**

7.500% due 10/01/2030	1,200	1,326
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**San Francisco, California City & County Redevelopment Agency Tax Allocation Bonds, Series 2009**

8.406% due 08/01/2039	1,650	2,039
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**Stockton Public Financing Authority, California Revenue Bonds, (BABs), Series 2009**

7.942% due 10/01/2038	7,500	8,408
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		15,253
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**NEBRASKA 1.2%****Public Power Generation Agency, Nebraska Revenue Bonds, (BABs), Series 2009**

7.242% due 01/01/2041	6,500	7,414
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**NEW JERSEY 0.0%****Tobacco Settlement Financing Corp., New Jersey Revenue Bonds, Series 2007**

5.000% due 06/01/2041	400	299
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**OHIO 4.4%****Ohio State University Revenue Bonds, Series 2011**

4.800% due 06/01/2111	27,300	28,184
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**VIRGINIA 0.1%****Tobacco Settlement Financing Corp., Virginia Revenue Bonds, Series 2007**

6.706% due 06/01/2046	850	629
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**WEST VIRGINIA 0.5%****Tobacco Settlement Finance Authority, West Virginia Revenue Bonds, Series 2007**

7.467% due 06/01/2047	4,100	3,493
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Total Municipal Bonds & Notes (Cost \$48,306)		55,272
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**U.S. GOVERNMENT AGENCIES 18.0%****Fannie Mae**

3.500% due 02/25/2042 - 01/25/2043 (a)	3,058	446
4.000% due 08/25/2042 - 01/25/2043 (a)	24,072	4,044
4.500% due 11/25/2042 (a)	4,556	811
5.217% due 12/25/2042	506	401
5.218% due 07/25/2043	1,309	1,059
5.772% due 01/25/2043	1,892	1,493
5.998% due 11/25/2042 (a)	5,182	1,238
6.098% due 01/25/2040 - 08/25/2041 (a)		